



**Iowa Finance Authority State Housing Trust Fund  
2008 Allocation Plan for the Project-Based Housing Program**

**SECTION 1. INTRODUCTION, PURPOSE AND DEFINITIONS**

**1.1 State Housing Trust Fund.** In accordance with Iowa Code section 16.181 a housing trust fund (Fund) is held within the Iowa Finance Authority (IFA). The moneys in the Fund are to be used for the development and preservation of affordable housing for low-income people in the state. The two programs operated under the Fund are the Local Housing Trust Fund Program and the Project-Based Housing Program.

**1.2 Adoption of a Trust Fund Allocation Plans.** IFA has adopted the 2008 trust fund allocation plans (Plan) for the Local Housing Trust Fund Program and the Project-Based Housing Program. The purpose of the Plans is to set forth the criteria that IFA will use in making awards of moneys held in the Fund. IFA anticipates adopting a new Plan on an annual basis.

**1.3 Documents Incorporated by Reference.** Iowa Code section 16.181 is incorporated by reference in the Plan. The Plan will be deposited in the Iowa State Law Library. Statutory references are also available in the Iowa State Law Library.

**1.4 State Housing Trust Fund Advisory Board.** The IFA Board will appoint members to a State Housing Trust Fund Advisory Board, such board to be made up of representatives from the housing industry. This board will meet as necessary to advise IFA on the Plan.

**1.5 Amount Available.** Prior to the application deadline, the Authority will post on its Web site at [www.IowaFinanceAuthority.gov](http://www.IowaFinanceAuthority.gov) the Available Moneys for such round.

**1.5.1** Sixty percent of Available Moneys in the Fund shall be allocated to the Local Housing Trust Fund Program. An award from the Local Housing Trust Fund Program shall not exceed 10 percent of the balance of assets held in the program at the beginning of the applicable fiscal year plus 10 percent of any deposits made during the applicable fiscal year.

**1.5.2** Forty percent of Available Moneys in the Fund shall be allocated to the Project-Based Housing Program.

**1.5.3** Any Available Moneys remaining in the Local Housing Trust Fund Program on April 1 of each fiscal year which have not been awarded may be transferred to the Project-Based Housing Program at any time prior to the end of such fiscal year.

**1.5.4** Unencumbered and unobligated moneys remaining in the Fund at the close of each fiscal year shall remain available for expenditure for the same purposes in the succeeding fiscal year.

**1.6 Definitions.** The following terms shall have the meanings set forth herein unless context clearly requires a different meaning.

Accessibility: Means buildings used by the public, accessible to, and functional for, the physically handicapped to, through and within their doors, without loss of function, space, or facility where the general public is concerned. An Accessible Route means a continuous unobstructed path connecting all accessible elements and spaces in a building or facility that can be negotiated by a severely disabled person using a wheelchair and that is also safe for and usable by people with other disabilities. Interior Accessible Routes may include corridors, floors, ramps, elevators, lifts, and clear floor space at fixtures. Exterior Accessible Routes may include parking, access aisles, curb ramps, walks, ramps and lifts.

Available Moneys: The amount of money determined by IFA to be available for distribution from the Fund in the applicable funding round. IFA will annually calculate and announce the Available Moneys. Available Moneys will consist of the following: (1) interest earned on Fund assets during the prior fiscal year; (2) moneys appropriated to or deposited in the Fund, from any source, for use in a specific funding round; (3) moneys transferred by IFA to the Fund for a specific funding round; (4) awards returned during the prior fiscal year; and (5) other moneys held in the Fund, as determined by IFA.

Disability: Means at least one of the following criteria: 1) Has a physical, mental or emotional impairment which: is expected to be of long-continued and indefinite duration, substantially impedes the person's ability to live independently, and is of a nature that such ability could be improved by more suitable housing conditions; OR 2) Has a developmental disability, defined as a severe chronic disability which: is attributable to a mental or physical impairment or combination of mental and physical impairments, is manifested before the person attains age twenty-two, is likely to continue indefinitely, results in substantial functional limitation in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and which reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong, or extended duration and are individually planned and coordinated.

Expend: Moneys awarded from the Fund in a prior year that have been spent, paid-out or specifically committed to be spent on the applicable project/activities. Any funds committed but not yet spent must have been identified and outlined in the Timeline and Draw Request Schedule contained in the Grant Agreement from a prior year's award.

Extremely Low-Income People: An individual or family with incomes, adjusted by family size, of not more than 30 percent of the greater of (1) the county or (2) statewide (as applicable) median income limit as published annually by the U.S. Housing and Urban Development.

Local Match: Eligible local match may include, but is not limited to, contributions by local governmental units, or by local or regional agencies, public or private. Contributions may include, but are not limited to: land, buildings, infrastructure, cash, TIF proceeds, tax abatement, value received from enterprise zone site remediation (Brownfield), private contributions, loans at substantially below-market interest rates or with favorable features such as delayed principal and interest, utility cost reductions, employer-assisted housing programs (EAH), rent or operating deficit guarantees, the value of a charitable property tax exemption for nonprofits, a below-market loan or grant from the Federal Home Loan Bank through a member bank, infrastructure improvements and equity contribution by a developer/ownership entity from the project location (a deferred development fee contributed by a developer from the location where a project will be built does not qualify as Local Match), an equity contribution by a tax-exempt developer/ownership entity from the project location, the value of an in-kind contribution by a tax-exempt organization, tax-exempt bond financing from a local political subdivision and property acquired at below appraised value from a local political subdivision. HUD HOME funds are not considered a Local Match. HUD CDBG funds may be considered Local Match if such funds were not previously committed for housing. For example, the governing body (city or county) must determine and substantiate that they have control over these moneys and are giving these moneys to the LHTF to be spent for housing. These moneys will then be considered as local match OR if the applicant can demonstrate that they have new money from CDBG, etc, for housing (this could be demonstrated by comparing the previous year's budget with the present fiscal budget) then these moneys will be considered as local match. IFA will consider on a case-by-case basis. Housing dollars already committed to a specific program or project will not count as Local Match (i.e. local or State HOME, CDBG, etc).

Low-Income People: An individual or family with incomes, adjusted by family size, of not more than 80 percent of the greater of (1) county or (2) statewide (as applicable) median income limit as published annually by the U.S. Department of Housing and Urban Development.

Older Person: Means a person 55 years of age or older, in accordance with State law.

Ready to Proceed: A reasonable ability, as demonstrated in the application timeline, to expend at least 10 percent of the project's approved development budget and to request

reimbursement for such project-related expenditures from the Project-Based Housing Program within six months of signing the award contract.

## **SECTION 2. Project-Based Housing Program**

**2.1 Performance Goal.** The goal is to assist in funding development and preservation of affordable housing. The Project-Based Housing Program will be used for the creation of additional single family and multifamily units serving Low-Income People or to provide for increased Accessibility in existing single family or multifamily units serving Extremely Low-Income People in which at least one household member is an Older Person or a person with a Disability. The housing must be affordable to Low-Income People. Owner-occupied rehabilitation is not eligible under the Project-Based Housing Program, except as specified in section 2.5.6.

**2.2 Funding Cycle/Application Submittal.** Information regarding the funding cycle, schedule, and where applications are to be submitted has been posted on the IFA website at [www.IowaFinanceAuthority.gov](http://www.IowaFinanceAuthority.gov). Applications for the Project-Based Housing Program will be accepted on an open-window basis until all Available Moneys have been exhausted, beginning on the date that the rules become final.

**2.3 Ineligible Applicants.** Local Housing Trust Funds certified by IFA in accordance with Administrative Rules are not eligible to apply for the Project-Based Housing Program. An application received from or on behalf of a project located in a geographic area served by a Local Housing Trust Fund certified by IFA in accordance with Administrative Rules is also ineligible for application to the Project-Based Housing Program.

### **2.4 Eligible Applicants.**

**2.4.1** Cities and counties.

**2.4.2** Non-profit housing organizations.

**2.4.3** For-profit housing development organizations.

**2.4.4** Recognized neighborhood associations.

**2.4.5** Economic development organizations.

**2.4.6** Homeless service providers.

**2.4.7** Transitional housing providers.

**2.4.8** Domestic Violence Shelters.

## **2.5 Eligible Uses.**

**2.5.1** New construction.

**2.5.2** Conversion to affordable housing.

**2.5.3** Acquisition/demolition.

**2.5.4** Acquisition/rehabilitation.

**2.5.5** Acquisition/rehabilitation/resale.

**2.5.6** Rehabilitation by a qualified non-profit applicant to provide for increased Accessibility in existing single family or multifamily units serving Extremely Low-Income People in which at least one household member is an Older Person or a person with a Disability.

**2.5.7** No funds may be used for infrastructure unless the infrastructure is associated with the immediate production of new units.

**2.5.8** If the request for funding is for additional units for homeless, domestic violence shelter, or transitional housing, at least 75% of the funds must be used for hard construction costs and no more than 25% can be used for supportive services.

**2.5.9** The Project-Based Housing Program shall only be used with the Low-Income Housing Tax Credits if at least 33 percent of the units in the application will be reserved for Extremely Low-Income People and one or more of the following are met:

1. The application will create new transitional housing units; or
2. The application will create new service-enriched housing units.

## **2.6 Awards.**

**2.6.1** Maximum Application Amount: \$90,000.

**2.6.2** All award amounts for the Project-Based Housing Program must be approved by the IFA board. Notwithstanding the foregoing, the IFA board may increase or decrease the award amount to an applicant if the board determines that doing so would be in the best interest of the development or preservation of affordable housing for Low-Income People in the state.

**2.6.3** In the event there is not enough Available Moneys to fund award amounts to multiple applications received on the same date under the open-window, the IFA board shall implement the following tie-breaker system:

- An award will first be made to an application for a project identified in an Iowa Great Places agreement, pursuant to Iowa Code 303.3C.
- If multiple or no applications are identified in an Iowa Great Places agreement, an award will be made to the application developing the greatest number of new housing units for Low-Income People, with subsequent awards made on that same basis until all Available Moneys have been exhausted.
- In the event two or more applications will develop the same number of new housing units for Low-Income People, awards will be made in order of the highest percentage of Local Match contribution.
- If the amount of Available Moneys is not sufficient to fund the entire amount requested by the applicant next in line for award, the IFA board will offer a partial award, which the applicant may accept or reject. If an applicant rejects the partial award offered by the IFA board, the funds will remain as Available Moneys for the next approved application.

**2.7 Local Match.** The minimum Local Match is 10 percent of the total amount requested from the Fund.

## **2.8 Threshold Requirements.**

**2.8.1** Applicants must complete the application in its entirety, including all exhibits.

**2.8.2** The financing gap cannot exceed the amount requested by the applicant.

**2.8.3** An applicant must be able to complete the hard construction portion of the project within two years of signing an award contract.

**2.8.4** The project must benefit Low-Income People.

**2.8.5** In addition to the above, applicants must provide the following in a narrative document and demonstrate to IFA that threshold has been established for each category:

- Need for housing in the community (Threshold: Has a need for the proposed project been established?)
- Impact of project (Threshold: Will the project positively impact the community and its housing needs?)
- Financial and overall feasibility of project (Threshold: Is the project financially and operationally feasible?)
- Leveraging and partners in project (Threshold: Does the application meet Local Match requirements and is there demonstration of local support?)

- Administrative capacity of project sponsor (Threshold: Does the project sponsor demonstrate administrative capacity?)
- Timeline (Threshold: Is the project Ready to Proceed and can the project be reasonably expected to be complete within two years of signing an award contract?)

**2.8.6** Award conditions and amounts are subject to IFA negotiations with the applicant.

**2.9 Notification of Award.** IFA will notify the applicant in writing (1) of its approval as to eligibility and amount or (2) as to the reasons the approval was not given.

**2.10 Compliance.** Each entity receiving monies from the Fund shall be required to submit a compliance report with any attachments. The reporting periods are January 1 through June 30 and July 1 through December 31. The reports are to be submitted to the IFA office no later than 15 calendar days after the end of the reporting period. The reporting format will be posted on the IFA website. Previous SHTF grantees must be current with all compliance reporting at the time of the current application to be eligible for a 2008 SHTF grant award.

**2.11 Grant Period and Timely Use of Awarded Funds.**

**2.11.1** The grantee will have two years in which to expend all funds received from the Fund in accordance with the grant agreement.

**2.11.2** Grantees must be in compliance with section 2.11.1 above to be eligible for subsequent awards from the Fund. Extensions may be requested by the recipient, subject to review by IFA. IFA will consider the capacity of the grantee to complete the project during the extension period in its review of the extension request.

**2.12 Retention Period.** The retention period is five years from the date of closing (for projects under section 2.5.5, the date of closing with the end purchaser) or the date of project completion, as applicable. All assisted units must be subject to a recorded retention and recapture agreement. In the event of a sale or transfer of an assisted unit prior to the end of the five-year retention period, the Project-Based Housing Program subsidy provided to that unit will be forgiven on a prorated basis monthly over the five-year period with all remaining funds to be recaptured and repaid to IFA, unless otherwise approved by the IFA board.

**2.13 Appeals.** An applicant whose application has been timely filed and whose application did not receive an award may appeal the decision by filing a written notice of appeal within seven days of the award with the Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50309.

**2.14 Hearing.** Upon receipt of notice of an applicant appeal, IFA may contact the Department of Inspections and Appeals to arrange for a hearing. A written notice of the date, time, and location of the appeal hearing will be sent to the parties to the appeal. IFA shall select a presiding officer and hold a hearing on the appeal, in conformance with its rules on appeals, within 30 days of the date IFA receives the notice of appeal.

**2.15 Judicial Review.** Judicial review of IFA's final decisions may be sought in accordance with Iowa Code Section 17A.19.